Comparison of Perata, Núñez, and Schwarzenegger Health Care Reform Proposals

	Senate President Pro Tempore Perata	Assembly Speaker Núñez	Governor Schwarzenegger
Individuals Covered	Working Californians and dependents. All children, regardless of residency status, up to 300% federal poverty level (FPL).	Working Californians, including part-time and seasonal workers and dependents. All children, regardless of residency status, up to 300% FPL. Intent to cover single, unemployed adults not currently eligible for any public program by 2012.	All Californians
Individual Mandate	Working Californians and dependents would be required to have a minimum health coverage policy. Minimum coverage benefit level to be determined by the Managed Risk Medical Insurance Board. Enforced through the tax code.	None	Individual Mandate: All Californians, including children, would be required to have minimum health coverage. Minimum covered defined as a $5,000 deductible plan with maximum out-of-pocket limits of $7,500 per person and $10,000 per family. Enforced through wage withholding and the tax code.

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Employer Mandate; Employee Responsibility	Pay or Play: Employers would be required to spend a certain percentage of payroll (adjusted on a sliding scale) for employee health insurance OR pay an equivalent amount to a State Trust Fund along with an employee contribution.	Pay or Play: Employers would be required to provide employee health coverage OR pay a fee based on "fair share" percentage of payroll. Exemptions for: ▸ firms of less than two workers ▸ firms with payroll of $100,000 or less ▸ certain newly established firms in business for less than three years All employees who are offered coverage at work would be required to accept coverage for them and their dependents, provided their share of costs does not exceed a reasonable percentage of their income. Employees whose employers pay rather than offer coverage would pay a percentage of their income.	Pay or Play: Employers would be required to spend at least 4% of payroll for employee health insurance OR pay an equivalent amount. Exemption: Employers with fewer than 10 employees.
Medi-Cal Rate Increase	No	No	Yes. $4 billion to increase rates closer to Medicare level.
Purchasing Pool	Yes – the "Connector"	Yes – California Cooperative Health Insurance Purchasing Program (Cal-CHIPP)	Yes
Individual Contribution to Obtain Coverage Through Purchasing Pool	For participating employees, no additional cost for basic coverage.	No additional cost for basic coverage.	Sliding-scale individual contribution 3%-6% of gross income required to obtain coverage through purchasing pool.

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Tax Incentives	None	All employers required to establish "Section 125 plan," allowing employees to use pre-tax income for health expenses.	All employers required to establish "Section 125 plan," allowing employees to use pre-tax sheltered income for health expenses. State tax conformity on Health Savings Accounts
Medi-Cal/Healthy Families Expansion/ Changes	(See note under Financing)	Increase Medi-Cal and Healthy Families for all families up to 300% FPL, children would be covered regardless of residency status. Wraparound Medi-Cal and Healthy Families benefits for eligible persons with employers sponsored coverage.	Expand Healthy Families/Medi-Cal for all children, regardless of residency status, up to 300% FPL. Expand Medi-Cal to include all legal resident adults up to 100% FPL. Establish "bright-line" threshold between Medi-Cal and Healthy Families/new purchasing pool at 100% FPL.
Insurance Market Reforms	For health plans participating in the purchasing pool: ▸ guaranteed issue ▸ community rating	▸ Prohibits exclusion of coverage for minor health conditions, as determined by MRMIB ▸ Restructures the state's high-risk pool and requires MRMIB to determine specific excludable pre-existing conditions for inclusion in the high-risk pool ▸ Requires health insurers to offer uniform benefit designs in and outside of Cal-CHIPP	Health plans: ▸ Guarantee coverage in the individual market ▸ Rates based only on age and geographic area in the individual market ▸ 85% of premiums must be spent on patient care

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Financing	► Employer contributions ► Employee contributions ► Federal funds. Sources are: ✓ Increase Medicaid for working parents to 300% FPL ✓ Increase State Children's Health Insurance Program (SCHIP) for legal resident children to 300% FPL	► Employer contributions ► Employee contributions ► Federal funds (Medicaid, SCHIP) ► Surcharge on health insurance premiums (to finance high-risk pool)	► Employer contributions ($1 billion) ► Employee and individual contributions (unknown) ► Federal funds and redirection of safety net funds ($5.5 billion) ► Redirect county funds, which includes realignment funds ($2 billion) ► 2% fee on physician revenues and 4% fee on hospital revenues ($3.5 billion)

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Cost Containment	Within the purchasing pool: ► Managed competition through choice of health plans ► Medi-Cal managed care buy-in ► Cap on health plan administrative costs and profits ► Plans must implement evidence-based practices that control cost growth, including preventive care, case management for chronic diseases, promotion of health information technology, standardized billing practices, reduction of medical errors, incentives for healthy lifestyles, appropriate patient cost-sharing, and rational use of new technology	► Disease management in state health coverage programs ► Pay-for-performance for state-funded health coverage programs ► Require plans and providers to participate in a personal health records system ► Simplify benefit designs ► Uniform benefit designs will include preventive services ► Healthy lifestyles programs ► Centralized technology assessment	► Reduce regulatory requirements on health plans ► Reduce regulatory requirements in order to promote certain delivery models, such as retail clinics ► Pilot to combine workers' compensation with traditional health coverage ► Health plans must offer "health actions" rewards and incentives with benefit packages ► Promote health information technology and patient health records ► Link future Medi-Cal provider and plan rate increases to performance ► Make changes to seismic safety requirements for hospitals ► Data reporting and quality monitoring ► Health promotion and wellness (prevention of diabetes, medical errors, health care acquired infections, obesity, and tobacco use)

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Implementation Timeline	Not specified	July 2008 – Insurance market reforms, kids coverage January 2009 – Pay or play employer mandate January 2012 – Coverage for remaining uninsured	Not specified

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